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February 25, 2004

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Agenda No. 47B
01/13/04

TO: SUPERVISOR DON KNABE, Chairman
SUPERVISOR GLORIA MOLINA
SUPERVISOR YVONNE BRATHWAITE BURKE
SUPERVISOR ZEV YAROSLAVSKY
SUPERVISOR MICHAEL D. ANTONOVICH

FROM: LLOYD W. PELLMAN 
County Counsel

RE: **Report on the City of Los Angeles Trust Fund for Dexter Park**

On January 13, 2004, your Board adopted Supervisor Antonovich's motion instructing us to review whether the City of Los Angeles' ("City") dissolution of its Dexter Park Trust Fund ("Dexter Fund") and its transfer of the estimated \$110,000 fund balance for non-Dexter Park purposes was justified. We have concluded that the dissolution and fund balance transfer did not violate any agreements or laws.

Dexter Park is a County park in an unincorporated area approximately one mile from the Lopez Canyon Landfill in the City. Citizens from both the City and the County use Dexter Park and are concerned about the dissolution of the trust fund in light of continuing infrastructure needs at the park, and are further concerned that no testimony was taken at the City Council meeting at which the Dexter Fund was dissolved.

In 1991, the City adopted an ordinance establishing the Lopez Canyon Community Amenities Trust Fund ("Lopez Fund") for the purpose of financing community amenities within the City in the vicinity of the landfill. To date, we have not been able to determine whether this Fund was required by a

land use entitlement condition. We will provide a further report to your Board when and if such a determination affects our conclusions or recommendations in this matter.

The Lopez Fund is expressly available for identified improvement projects in recreation areas outside the City if the County provides matching funds, and if the City makes findings of public benefit. The terms of the Lopez Fund provide that appropriations shall be authorized by the City Council on a project by project basis upon recommendation of the Councilperson whose district includes the landfill area.

In 1993, the County successfully applied for such funds from the City for an improvement program at Dexter Park. In response to a motion by Supervisor Antonovich requesting funding for the park, the City withdrew \$250,000 from the Lopez Fund at that time, and adopted a new ordinance establishing the Dexter Fund. A City-County contract committed \$250,000 from the Dexter Fund for Dexter Park improvements which have since been completed at the park.

The Dexter Fund is a separate fund from the Lopez Fund. We are informed that the Lopez Fund currently has a balance of approximately \$600,000.

On January 6, 2004, the City Council formally approved closure of the Dexter Fund, and directed that \$15,000 be spent for repairs at Carey Ranch and the balance and interest be transferred to a Council District Seven General City Purposes Fund. The balance remaining in the Dexter Fund consisted of interest accruing on the original \$250,000 both before the Dexter Park project was complete, and after the payment due under the contract was made to the County.

The City Attorney's Office has advised us that it interprets the Dexter Fund as being subject to all of the limitations of the Lopez Fund from which it was derived. On the basis of that advice, we are informed that the City concluded that any balance left in the Dexter Fund after the contractual obligation of \$250,000 had been paid to the County could revert to the City, subject to the limitation that it must be spent for purposes consistent with the Lopez Fund. We have concluded that the City's interpretation is reasonable and likely to withstand a legal challenge.

Although the City Council could have taken public testimony on this item from County staff and residents, we were advised by the City Attorney's Office that the Council was not required to do so because the opportunity to

testify was available at an earlier City committee meeting at which the subject was discussed. This is consistent with the Brown Act for local agencies with committees staffed by the agency members.

Based on this review, the County may wish to consider an application to the Lopez Fund for a new project, either at Dexter Park, or any other County recreation facility which may be close enough to the landfill to be eligible. We have met with staff from the City Attorney's Office and the County Department of Parks and Recreation. We are available to work with County staff to pursue further City funding of recreational enhancements at County facilities if that appears feasible.

If you have questions concerning this matter, please contact me, Acting Assistant County Counsel Richard D. Weiss at (213) 974-1921, or Principal Deputy County Counsel Helen S. Parker at (213) 974-1889.

LWP:HSP:mh

c: David E. Janssen
Chief Administrative Officer

Violet Varona-Lukens, Executive Officer
Board of Supervisors

Tim Gallagher, Director
Department of Parks and Recreation